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## Governor, Legislative Leaders Unveil New Film Tax Credit Proposal

### Plan would make Massachusetts an attractive home for motion picture films, television

BOSTON - Thursday, May 17, 2007 -Governor Deval Patrick, Senate President Therese Murray and House Speaker Salvatore F. DiMasi today unveiled a series of tax incentives to make Massachusetts a more attractive destination for motion picture and television production projects, a plan that will make the Commonwealth more competitive with other states and could bring millions of dollars in new investment and economic activity.

"Massachusetts has a lot going for it-fabulous locations, a gifted and experienced crew base, and a long tradition of great movies made here," said Governor Deval Patrick. "But the creative economy is extremely mobile and we cannot stand still in the face of stiff challenges from other states. Supporting an expansion of the film tax credit is one major step we can take in attracting the kind of businesses we need to keep our economy vibrant and competitive."

The legislative package announced today expands a highly-successful law passed in 2005 that offers production companies a series of tax credits and exemptions to encourage film production. In the 15 months since the credits took effect, Massachusetts has attracted three films to shoot and locate here, including Disney's *Game Plan* and *Gone Baby Gone* and *21* by Sony. Prior to the law's passage, Massachusetts had only four studio films in seven years.

"The film tax credit has been one of the Legislature's most successful methods for motivating the industry to make Massachusetts the backdrop for numerous movies," said Senate President Murray. "With larger productions waiting in the wings, this modest investment will be a greater enticement for the film industry to choose Massachusetts over other states."

"For Massachusetts, it is not just pride we feel when Oscar-winning movies are filmed here - it means millions of dollars pumped into our economy, local jobs for local workers and a worldwide boost to our thriving tourism industry," said Speaker DiMasi. "This bill will help Massachusetts stay competitive with states trying to woo the movie industry and will produce immediate and long-term benefits for our economy."

The proposed legislation increases the percentage of payroll that companies can apply for income tax credits against from 20 percent to 25 percent, and allows credits of up to 25 percent of other production expenses.

Under the current law, credits are limited to \$7 million per film and apply only to films costing \$250,000 or more. The proposal released removes the cap and lowers the \$250,000 floor to \$50,000, for purposes of both the income tax credit and the sales tax exemption.

Thirty-nine other states have enacted film tax credits of their own, including Rhode Island and Connecticut.

The legislation also adds "digital media project" to the definition of "motion picture" and requires the Commissioner of Revenue to report annually on motion picture production activity generated by the revised film tax credit and its net revenue effect.

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